8. Recovery	Personal contacts, joint recovery camps, legal action etc. failing which forfeiture of subsidy for adjustment of dues. NGOs may be used as facilitators for recovery and 0.5% of the loan amount may be charged to the swarozgaris to meet this expenditure. Prompt repayment entitles waiver of this monitoring fee.
9. Refinance	Banks are eligible for refinance from NABARD for the loans disbursed under SGSY.

Rationalisation of Excise Duty for Textile Industry

4293. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any representation from the Indian Cotton Mills Federation, New Delhi regarding rationalisation of excise duty for textile industry;

(b) if so, the details of issues raised in their representation thereof;

(c) whether Government have taken up this representation for active consideration;

(d) if so, what is the Government's reaction thereto; and

(e) if not, the reasons therefor and by when action is likely to be taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) The Indian Cotton Mills Federation (ICMF) had sent pre-budget representations regarding rationalisation of excise duty for textile fabrics. The issues raised by them included completion of the CENVAT chain covering all stages of manufacture from fibres to garments, allowing of the CENVAT credit at the processed fabric stage of actuals basis and discontinuing the system of deemed CENVAT credit, withdrawal of excise exemptions of hank yam, hand processed textile fabrics when power is used for specified finishing processes, knitwears and readymade garments in the SSI sector, abolition of optional stentor duty for independent textile processors and rationalization of excise duty structure on fibres and yarns, fabrics, made-up and ready-made garments.

(c) and (d) The Government have considered all the representations received from the textile industry including that from ICMF in the budget and have announced a special package of incentives for the textile industry. These include reduction of excise duty on fabrics, made-ups and garments from 16% to 12%, withdrawal of excise exemption on hank yam, restricting the exemption on hand processed fabrics on use of power to 7/4 specified processes, levy of excise duty on optional basis on grey fabrics, cotton knitted fabrics and knitwears, abolition of optional compounded levy scheme for independent textile processors and exemption from excise duty on automatic looms and specified textile processing machinery.

(e) Does not arise in view of reply to parts (c) and (d) above.

Utilisation of foreign exchange reserves

4294. SHRI R.P. GOENKA:

SHRI SANTOSH BAGRODIA: Will the Minister

of FINANCE be pleased to state:

(a) whether Government have taken a decision on the recent recommendation of the Reserve Bank of India that the mounting forex reserves of the country, reportedly set to cross $54 billion shortly and would exceed the country's need as assessed on widely accepted Guidotti standard rules, be utilized to pre-pay some of the country's external debt; and

(b) if so, the details of the strategy worked out, if any, for utilizing the forex reserves more productively?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Government of India have constituted an Adhoc group comprising of the officials of Ministry of Finance and Reserve Bank of India to analyse the issue of Pre-payment of high cost External Debt and to take a decision in this regard. Prepayment proposals of some of the PSUs, in respect of their multilateral loans have in the meantime been cleared as per the guidelines spelt out by the Adhoc group for the same.